



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY,
HEATHER TASKER, BRIDGET KELLY
PUBLIC INFORMATION OFFICE
(914) 993-1916, (212) 637-2600

**NEW ROCHELLE CONSTRUCTION FIRM PRINCIPAL PLEADS GUILTY
TO FALSE STATEMENTS REGARDING MINORITY SUBCONTRACTOR
REQUIREMENTS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that JOSEPH URBINATI, SR., a principal of Morris Park Construction Corp., ("Morris Park"), pleaded guilty today in White Plains federal court to making false statements to conceal that Morris Park was not using the required minority subcontractors in connection with a \$6.3 million contract he had been awarded by the Metropolitan Transportation Authority ("MTA").

The felony Information filed against URBINATI charges that in 1998, New Rochelle-based Morris Park was awarded a contract by the MTA, through the Metro North Railroad, to rehabilitate and upgrade the Mount Vernon East Transportation Center, a train station located in Mount Vernon, New York.

Under federal law, recipients of certain federal construction grants, such as the MTA, must participate in a Disadvantaged Business Enterprise ("DBE") program under which they set specific goals for the percentage of work to be awarded to DBEs and ensure that their general contractors make good faith efforts to employ qualified DBE subcontractors. In order for a company to be certified as a DBE in New York State, it must demonstrate, among other things, majority ownership and control by one or more minorities, women or socially and economically disadvantaged individuals. Under federal law and the terms of its contract with the MTA, Morris Park was required to certify compliance with its contractual DBE requirements by submitting documents, including progress reports, to the MTA.

URBINATI, 64, admitted during his guilty plea that he evaded the requirements of the DBE program through a practice described in the Information as "fronting." URBINATI admitted that he used two non-DBE-certified subcontractors to perform

\$495,000 worth of work on the Metro-North contract, and caused a Morris Park manager to submit documents to the MTA falsely certifying that that work was being done by approved DBE contractors.

As part of his plea agreement with the Government, URBINATI agreed to forfeit \$495,000, the total payment received by Morris Park for the work performed by the non-certified subcontractors.

Later in the day, FEREDOUN LALAEHZARZADEH, 50, a project manager at Morris Park, also pleaded guilty in White Plains federal court to a felony Information charging him with conspiring with URBINATI to make false statements to the MTA in connection with the Mount Vernon Train Station project. LALAEHZARZADEH admitted that he signed many of the false progress reports that were submitted to the MTA, knowing that they falsely stated that DBE-certified subcontractors were performing work that in fact was being performed by non-DEB-certified companies.

As a result of their guilty pleas, URBINATI and LALAEHZARZADEH each face a maximum term of five years in prison. They also face fines of the greater of \$250,000 or twice the gross gain or loss resulting from the crime, and imposition of the costs of prosecution. Sentencing for URBINATI is scheduled for February 23, 2006, at 9:00 a.m. before United States District Judge COLLEEN MCMAHON. LALAEHZARZADEH is scheduled to be sentenced on February 13, 2006, also before Judge MCMAHON.

Mr. GARCIA praised the Federal Bureau of Investigation and the Metropolitan Transportation Authority, Office of the Inspector General, for their efforts in this investigation.

Assistant United States Attorney PERRY A. CARBONE, is in charge of the prosecution.

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